G. R. S. IX-5]

Previous references.

GF 192 16 Ko 2 & 3, May 1917

191

(General Finance)

File No. 33-18.

Serial Nos. 1 & 2

Later references.

P 13E

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 & 2.

Part B for January 1918

SUBJECT.

Railway sterling loan of 1896 and Rupee loan of 1906

81.2

To the Comptroller
No 7C 3085 & 23-12-18
Government approves the proposal.

W D 88—GPB—50,000—24-7-18

13/1

G. R. S. III—1] 1918. 9

GENERAL AND REVENUE SECRETARIAT.

(G-7)

NOTES.

G7 File No. 33–18

FILE HEADING.

Railway Sterling loan of 1896 and Rupee loan of 1906.

From

The Comptroller. to Govt

No. Book 22/14 Dated 10. 7. 18 Received 13. 7. 18

Diary No. 135-	Enclos. 2 Spare Copies.	Serial No. 1.

BRIEF ABSTRACT OF LETTER.

Suggests a uniform arrangement for the exhibition of the particulars of the above two Loans in his account books to facilitate the preparation of Assets & Liabilities Statements direct from Ledger and also proposes That the credit offers to the Sinking Fund heads of the loans may be merged in the Govt Loans a/c

NOTES AND ORDERS.

Subd with reference.

29/7.

T

The Journal entries proposed by the Comptr so as to bring on his books the transactions of all the loan accounts in a uniform way might be approved. As the

NOTES—First Sheet.

WD 1232—GPB—20,000—18-11-13

MD 1233—GPE—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | 97 File No. 33 of 1918.

Serial No.

accts of 16.17 are finally closed, the journal entries required made in them of 17/18.

2) In the matter of closing the entries in the Other head Sinking fund to loans, a distinction is proposed to be made. paras 367. P.W.D. The credits relating to the contribution to the old loans of 20 Lakhs are to be closed to P.W. account, while those relating to future loans are to remain at credit of the head. Sinking fund. The object of this distinction is not quite clear.

3). In the assets and liabilities statement as on 1.7.17, a sum of 86,95 is shown as liability under Reserve funds. The details for this figure are:

Famine Insurance Reserve.	26,00
Reserve for Irrl. and Cap. Expr.	4,53
Spl Reserve for non-recurring expenditure	3,50.
Reserve for Misfortune Cap Expr	5,00.
C.P.S. Depreciation Fd.	36,31
Sundarial packing depr. Fd.	34
Mining Rev Capital fund.	9.27.
Sinking Fd. for loans to be borrowed in future.	2,00
	86,95.

4) These items are not real liabilities, in the

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | G. P. File No. 33 of 1918.

Serial No.

Same ~~was~~ Reserve as Deficit & Local other funds.

In accordance with the procedure adopted in British India Vide para 1329 of the C.A. Code Vol II, in closing the ~~the~~ head 'Gold Standard Reserve' and Appropriation for Reduction of debt - (Famine Insurance part), & Govt. may perhaps adopt a similar arrangement in respect of the Reserve funds -

Of course a proforma account will be maintained for each of the Reserve funds, the transaction on account of interest due on the balances will be effected booked in the year accounts, but in the annual liabilities statement only real ~~liabilities~~ liabilities will be shown.

Yes. 8/14 1/16

18 1. Govt.

Ups

Please speak.

16/11

I think the Comptr's proposals may be

30/11/16

& Draft as

18 30/11/16

8879

Rob with draft

The draft is not

5/12 14/12

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

974

G. R. S. III-2]

General and Revenue Secretariat. | 57 File No. 33 of 1918.

Serial No.	
	in proper form. The Comptroller's letter should be read in extenso and a simple order as in the last case's note 16.12.18
	Issued with revised Rapp 19/12 :D Issued 21.12.18
2.	To The Comptroller to the Govt No. H. 3085 & 23-12-18. Approves of the proposal in Sl 1.

NOTE—Contn. sheet.

D/35

G7 53-18-1-1

Please address all future communications to the Comptroller to the Govt. of H.H. the Maharaja of Mysore.
In reply to this Comn. please refer to
No. BOOKS 2214 9/2

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 9 July *1918*

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore.

To Rajamantrapravina Diwan Bahadur J. S. Chakravarti, ESQ., M.A , F.R.A.S , &c.,
Secretary to the Government of Mysore,
Financial *Department.*

SIR,

We have now two current loans, (1) the Railway Sterling Loan of £1,200,000 raised in 1886 and (2) the Rupee Loan of 20 lakhs raised in 1906. The discharge of both the loans has been arranged for by forming Sinking Funds. In the case of the Sterling Loan, neither the Loan nor the Sinking Fund is on our books. In the case of the Rupee Loan, however, the Loan as well as the Sinking Fund are on our books. This divergence of procedure in regard to the two loans has led to some difficulty in preparing the annual Assets and Liabilities Statements for presentation to the Representative Assembly. It is desirable to follow a uniform arrangement by bringing on our books the transactions relating to the Sterling Loan, so that the Assets and Liabilities Statements may be prepared direct from the Ledger.

2. In accordance with the policy enunciated in the Memorandum explaining the Budget Estimates of 1917-18 in regard to the exhibition in accounts of Capital outlay, I submitted a statement of entries with my letter No.B&R.1178 dated the 27th June 1917 with a view to bring out the Assets on account of Productive Works under separate heads closed to balance. The statement was approved by Government in their Order No.Fl.999/G.F.192-16-3 dated the 27th August

27th August 1917, and in it was included the transaction relating to the Sterling Loan of £1,200,000/- and the outlay met from the proceeds of the Loan was debited to "Railways" by credit to "Government". When a loan raised for a Productive Work is ultimately discharged from Revenue, such work will in the end appear as having been built at the expense of Revenue. The liquidation of the Sterling Loan has been provided for from Revenue, and accordingly the position indicated by the entry debiting "Capital outlay" and crediting "Government" is ultimately the correct one. As the object of the entries submitted to Government with my letter No.B&R.1178 dated the 27th June 1917 was to bring out the capital assets under Balanced heads, the question of the exhibition in accounts of the Loan and the Sinking Fund transactions was not considered. For reasons stated in para 1, it is desirable to bring these transactions also upon the books. With this object, I propose the entries shown in the enclosed statement.

3. The first entry withdraws the credit afforded to the Government Account for transfer to the head "Mysore Railway Sterling Loan 1886". The sterling amount raised in London was £1,200,000/- exclusive of the premium of £24,000/-. The amount to be taken as the Capital Outlay on Railways is the silver equivalent (Rupees 163,82,811-9-0) of the total of £12,24,000, while that to be taken as a credit to the head "Mysore Railway Sterling Loan, 1886" is the silver equivalent (R.160,61,569-5-7) of only the loan proper of £1,200,000/-. The difference on account of premium has to be treated as revenue spent on the Railways and the adjustment on account of it is included in the entry of credit to Government and debit to capital already approved by Government. The actual amount in silver that will be paid for liquidating the loan in 1936 will depend upon the rate of exchange at the time and the difference as compared with the credit now brought on the account will have to be adjusted then according as to its nature.

4. The Second entry proposed is that relating to the Sinking Fund and its investment. The Fund head is credited and the investment head is debited.

5. With the above two entries, there will be two credit balances on account of the Loan of which, however, only one is a liability. The second relating to the Sinking Fund credit is strictly not a liability at all as it has been formed out of Revenue. For this reason, we might close this head 'Sinking Fund' to Government and maintain a pro forma account of the state of the Sinking Fund from time to time with reference to the credit afforded to the head and transferred to Government Account at the close of the year. So I propose that the aggregate credit afforded to the Fund head be debited to that head by transfer to Government in closing the books for the current year and that the annual accretions to the Fund be dealt with accordingly.

6. For the same reason, I propose that the amount now to the ~~axkaak~~ credit of the Sinking Fund for the Rupee Loan of 20 lakhs as well as the future annual contributions on this account be merged in the Government balance.

7. Since 1906-07, we have been setting aside a sum of R.2,00,000 annually for the formation of a General Sinking Fund against future borrowings. As there is now no specific liability for which this Fund is intended, the annual contributions on this account may remain at credit of the head Sinking Fund and not be merged in the Government balance as in the case of other Sinking Funds.

8. If the above proposals are approved and assuming that the necessary entries had been made at the end of 1916-17, the statements of Assets and Liabilities on 1st July 1917 would be as under:--

Assets.

		In Thousands
I - Cash and Investments		
i. Cash balance	...	66,18
ii. Investment Account	...	2,83,89
iii. Advances	...	10,04
iv. Loans	...	24,17
v. Miscellaneous	...	5,88
vi. Railway Sterling Loan Sinking Fund Investment	...	92,61
II Capital -		
i. Mysore State Railways worked by Madras & Southern Mahratta Railway Company	...	2,57,43
ii. Railways worked by the State		93,21
iii. Cauvery Power Scheme	...	1,10,77
iv. Krishnaraja Sagara Works		1,24,31
v. Sandal Oil Factory and other Industrial Works	...	3,13
vi. K.G.F. Water Supply Project		16,06
	Total	10,87,68

Liabilities.

Permanent Debt -	Mysore Railway Loan 1882	..	33
	Mysore State Loan 1906	..	20,00
	Railway Sterling Loan	..	1,60,62
Unfunded Debt	...	..	1,14,46
Local and other Funds		..	44,60
Deposits	...	..	24,87
Reserve Funds -	...	..	86,95
			4,51,83
Excess of Assets over Liabilities		..	6,35,85
			10,87,68

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

U.

10-7-18

160,61,569	5	7	Government to The Mysore Railway Sterling Debentures/ Loan 1886 ...			
				160,61,569	5	7
			To amount of Mysore Railway Sterling Loan raised in England by the Southern Maratta Railway Company on the guarantee of the Secretary of State for India for the Construction of the Mysore-Harihar Line.			
92,61,359	7	5	The Mysore Railway Sterling Debenture Loan Sinking Fund Investment Account to The Mysore Railway Sterling Debenture Loan Sinking Fund			
				92,61,359	7	5
			To amount of Rs.50,81,500 paid in January 1900 to the Comptroller & Auditor-General to form a Sinking Fund in liquidation of the Mysore Railway Sterling Debenture Loan of 1886 of £1,200,000 for investment in Government of India Securities and the subsequent investment of the annual interest income thereon to end of 1916-17, the face value of the securities of the investment being Rs.95,68,600			
92,61,359	7	5	The Mysore Railway Sterling Debenture Loan Sinking Fund to Government ...			
				92,61,359	7	5
			To amount of Mysore Railway Sterling Loan Sinking Fund balance on 30th June 1917 closed to Government.			
14,66,666	10	8	The Mysore State Loan Sinking Fund to Government ...			
				14,66,666	10	8
			To balance at credit of the Mysore State Loan Sinking Fund on 30th June 1917 closed to Government.			

Serial No.	Month in which Notes were purchased.		Face value of Notes held.	Cost of notes purchased.	Remarks.
	1900	January	42,400	40,550- 9- 7	
		"	25, 31,500	25,31,500- 0- 0	
		March	25, 50,000	25,50,000- 0- 0	
	1901	June	1, 86,200	1,81,453-10- 6	
	1902	January	2, 02,800	1,96,623-11-11	
	1903	"	2, 05,600	2,03,704- 4- 6	
	1904	February	2, 12,000	2,10,868- 4- 7	
	1905	January	2, 20,900	2,18,408-14- 7	
	1905/06	March	2, 26,600	2,26,146- 7- 4	
	1906/07	March	2, 37,200	2,34,167- 9- 4	
	1907/April 1908/ Jany:		2, 47,400	2,42,513- 7- 5	
	1908/1909		29, 60,200	28,41,636-11- 7	
	Jodhpur Loan discharged and converted into Government paper.		-25,50, 000	- 25,50,000- 0- 0	
	1909/1910.		2, 65,000	2,51,697- 0- 3	
	1910	February	2, 73,400	2,62,363- 4-11	
	1911	May	80,100	77,314-11- 2	
		August	11,300	11,015- 5- 8	
		August	46,700	45,376-12-10	
		November	82,800	79,731- 0- 2	
	1912	January	47,200	45,328- 1- 9	
		February	12,900	12,470-11- 9	
		May	82,700	80,519-11- 6	
		July	47,100	45,592- 6- 4	
		November	86,400	82,883- 7- 0	
	1913	January	47,300	45,495-12- 2	
		February	12,900	12,452-14- 2	
		May	88,400	85,456-11- 0	
		July	47,000	45,589-15- 8	
		August	12,700	12,380- 1- 4	
		August	12,900	12,496- 6- 0	
		November	92,300	88,190- 3- 3	
	1914	January	47,300	45,555-12- 8	
		February	12,900	12,516- 2- 9	
		May	94,000	90,590-11- 4	
		June	300	289-14- 2	
		July	47,000	45,541- 3- 5	
		August	13,100	12,454- 6-10	
		November	1,02,500	93,583- 6- 8	
	1915.	March	48,300	44,821- 9- 1	
		April	14,100	13,239- 9- 5	
		June	1,01,400	95,667- 6- 8	
		August	50,800	46,366- 0- 0	
		October	14,000	12,351-10- 6	
	1916.	January	1,05,000	86,020- 5- 3	
		March	1,00,000	84,039- 9- 9	
		July	1,08,000	84,051- 9- 0	
		September	67,000	53,812- 4- 6	
		December	21,000	16,529- 9- 2	
			95,68,600	92,61,359-7- 5	
	Balance reinvested.			1,64,612-11-1	
	Total credit to Sinking Fund.			94,25,972- 2-6	

10.7.18

G.R.S. VI-71]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....135

Section 97

File No. 33 - 18

Serial No. 2

General and Revenue Secretariat

( )

Proceedings of the Government of His Highness the Maharaja of Mysore.

, the *191*

Date of issue.....25

Signed by.....

May this be

i Printed?

ii treated as a standing order?

iii published in the Gazette English part?

iv translated?

v placed at the disposal of the press?

vi published in the Gazette Kannada part?

Read.— Govt Order No 4999-97. 192. 16. 3 dt 27. 8. 17 recording the report of the Comptroller on the revision entries of the Journal entries made in connection with the adjustment

Order Thereon:— No.

in the accounts for 15-16 of Capital Outlay as well as

over.

PMH-3/2/17

on the accumulated balances of annual contributions towards the Famine Insurance & the Sinking fund in accordance with the principles enunciated in para 3 of the budget Memorandum for 1915-16.

2. Letter No. 2214 F. 10.7.'15. from the Comptroller making certain proposals with a view to adopt an uniform procedure in the matter of keeping accounts with reference to Railway Sterling Loan of £ 1,200, as raised in 1886 as well as the rupee loan loan of 20 Lakhs raised in 1906, so that the amount Liabilities Statements may be prepared direct from the books.

(In Extenso)

List of enclosures.

Copied by

Examined by

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

6

Order thereon H3085

The Comptroller's proposals are approved

& 23rd Dec/18

18

24/12/18

For H. Secretary

To The Comptroller,

WM

Proceedings of the Government of His Highness
the Maharaja of Mysore.

9

R e a d : -

Letter No.2214 dated 10th July 1918 from the -- Comptroller making certain proposals with a view to adopt an -- uniform procedure in the matter of keeping accounts with -- reference to (1) Railway Sterling loan of £ 1,200000; raised in 1886 as well as the rupee loan of 20 lakhs raised in 1906, so that the assets and liabilities statements may be prepared direct from the ledger.

Order No. FC 3085

Dated Bangalore the 23 December 1918.

The Comptroller's proposals are approved.

For Draft) 28/12/(illegible)

For Financial Secretary to Government.

To

The Comptroller, Mysore Government.

MK.3.